



CALIFORNIA URBAN WATER AGENCIES

October 16, 2008

Mr. Philip Isenberg, Chairman
Delta Vision Blue Ribbon Task Force
650 Capitol Mall, 5th Floor
Sacramento, CA 95814

Subject: Staff Draft Version 5.5 of the Delta Vision Strategic Plan

Dear Chairman Isenberg:

Per your request at the Blue Ribbon Task Force meeting today, CUWA is re-submitting information on urban water conservation. CUWA's members are the leaders in the state on water conservation and we fully support Goal 4: Promote Statewide Water Conservation, Efficiency, and Sustainable Use. Our members have expended almost \$700 million on water conservation programs since 1991 and are currently saving over 600,000 acre-feet of water each year. Water usage in the Bay Area is below pre-1987-1992 drought levels despite a population gain of 500,000 people. Water usage in Los Angeles is the same as it was 20 years ago despite an increase in population of over 750,000 people. We therefore find it discouraging to read statements in the Draft Strategic Plan (page 1-21) such as, "*Some local and regional water districts have made limited strides in water use efficiency and conservation in recent decades.*" We request that the language be changed to "*Some local and regional water districts have made significant strides in water use efficiency and conservation in recent decades; however, on a statewide scale, significantly more needs to be done.*"

As I said in my verbal comments, the recent analysis by the Department of Water Resources for the 20x2020 process concluded that statewide water use is 192 gallons per capita per day (gpcd). There is significant variation across the state with the Bay Area, North Coast, and Central Coast regions using about 150 gpcd and the Colorado River region using almost 350 gpcd. These numbers are significantly different from the 220 gpcd cited in the Draft Strategic Plan. As recognized by the Task Force, our system of measuring water use in the state needs significant improvement. We suggest that the task force remove the reference to specific per capita usage and focus on the need to improve water measurement in the future.

I have attached the letter we submitted on September 30 with more detailed recommendations on urban conservation.

Sincerely,

A handwritten signature in black ink that reads "Elaine M. Archibald". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Elaine M. Archibald
Executive Director

455 Capitol Mall, Suite 705, Sacramento, CA 95814 916.552.2929 FAX 916.552.2931

City of Sacramento

Alameda County Water District

San Diego County Water Authority

Metropolitan Water District of Southern California

San Francisco Public Utilities Commission

City of San Diego Water Department

Santa Clara Valley Water District

Zone 7 Water Agency

Contra Costa Water District

East Bay Municipal Utility District

Los Angeles Department of Water & Power



September 30, 2008

Mr. Philip Isenberg, Chairman
Delta Vision Blue Ribbon Task Force
650 Capitol Mall, 5th Floor
Sacramento, CA 95814

Subject: Fourth Staff Draft of the Delta Vision Strategic Plan

Dear Chairman Isenberg:

California Urban Water Agencies (CUWA) appreciates the opportunity to provide comments on the Fourth Staff Draft of the Delta Vision Strategic Plan. This version of the Draft Strategic Plan is greatly improved over the previous version, due largely to the removal of many of the prescriptive actions that were not based on sound science. For the most part, this version takes a higher-level view of the goals of the Delta Vision process and the broad strategies needed to achieve those goals. CUWA's comments address the following subjects:

- Near-term/Emergency Actions
- Water Quality
- Urban Water Conservation
- Governance
- Financing

Near-term/Emergency Actions

We are pleased that the Draft Strategic Plan contains a separate section on near-term actions. However, that section currently contains several actions on data gathering and studies and does not contain critical actions needed to improve water supplies and protect critical Delta infrastructure. In effect, the near-term actions identified in the Draft Strategic Plan will not result in near-term benefits, which are badly needed. The water supplies of most of our members are endangered due to the current drought and to restrictions on Delta pumping. These supplies are also at risk due to the potential for levee failures in the Delta. We urge you to include the following high priority actions in the "Near Term Actions" section of the next draft of the Strategic Plan:

- ***Franks Tract-Middle River Corridor/Two Barrier Pilot Project*** – This pilot project involves testing two temporary barriers at two locations to partially isolate Middle River and Old River near Franks Tract.

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- ***Franks Tract/Three Mile Slough*** – While the Department of Water Resources (DWR) is proceeding with the long-term Franks Tract project, a pilot study should be conducted to evaluate the effectiveness of the Three Mile Slough barrier in the next two years.
- ***Demonstration Fish Protection Screen at Clifton Court Forebay*** –This pilot study will evaluate the screen’s effectiveness in reducing entrainment and predation losses in Clifton Court Forebay.
- ***Levee and Conveyance Improvements*** – Bond funding is available for improvements to levees that protect critical Delta infrastructure.

CUWA provided the Blue Ribbon Task Force (Task Force) with more detail on these actions and other near-term actions that the CUWA Board adopted in our August 4 comment letter on the Second Staff Draft Strategic Plan. These actions address critical needs while providing needed information that will guide future decisions. The Strategic Plan should include specific recommendations to expedite the expenditure of bond funds authorized by the voters to finance near-term actions.

Water Quality

The Task Force has recognized that water quality is one of the key factors responsible for the decline in ecosystem health and has recommended a number of actions that will lead to improved water quality in the future. The Task Force has also embraced source control as a strategy that provides multiple benefits to the ecosystem and to drinking water quality. Protecting water quality at the source will become even more important as the population of the Delta watershed grows and the impacts of climate change are felt. CUWA supports the activities listed under Strategy 3.5.

Urban Water Conservation

The Draft Strategic Plan has conflicting statements and information on urban water conservation. We strongly agree with your statement that *“Population growth will drive greater need for efficiency and conservation.”* In general, the Draft Strategic Plan is complimentary of the efforts that urban water agencies have taken to achieve substantial water savings through conservation. However, in Volume 1 on page 5 there is a disturbing statement: *“Overall, these data reveal the challenges of providing water for California: population and economic activity increase resulting in growing demand for water with little evidence of successful conservation at a state wide scale.”* This contradicts statements made in Volume 2 and we vehemently disagree with this statement. CUWA’s members have expended over \$700 million since 1990 on conservation programs and have achieved considerable water savings.

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There are inconsistencies in the document over per capita water use. In Volume 1, page 5 you state that per capita use in 2000 was 225 gallons, whereas in Volume 2, page 29 you state that per capita use averages 160 gallons. We recommend that you use the per capita analysis recently completed by the 20x2020 process in the Draft Strategic Plan.

CUWA agrees with your statement in Volume 1 on page 7, “*Strong conservation measures are necessary whether you build dams or not.*” We do not support the conclusion that mandatory conservation “*seems inevitable, and desirable.*” We urge the Task Force to support voluntary conservation because there are three on-going processes that will lead to more effort on conservation in the next few years.

- The California Urban Water Conservation Council (CUWCC) is currently in the midst of a year-long evaluation of the best management practices (BMPs) and is considering creating foundational BMPs that all signatory water agencies must implement, as well as a flex track approach that allows water agencies to select additional practices that will result in water savings in their service areas. This effort will be followed by an update to the CUWCC reporting system that will more adequately capture the full range of activities that are resulting in water savings. The State Water Resources Control Board (State Water Board) should allow the water agencies who are signatories to the Memorandum of Understanding (MOU) to continue to voluntarily save water while complying with the CUWCC requirements.
- A number of state agencies, including the State Water Board are working with DWR on the Governor’s call to reduce per capita water use by 20 percent in 2020. That effort will be concluded by early 2009. Our members believe that the 20 percent reduction in per capita water use statewide is an achievable goal. The process that DWR and the other state agencies are proposing, which acknowledges past conservation efforts in setting regional goals, is supported by CUWA’s members.
- The California Air Resources Board is expected to finalize its Scoping Plan for the implementation of AB 32 by the end of 2008. The Scoping Plan includes a section on the water sector, with a strong emphasis on conservation.

Additionally, AB 1420 goes into effect in 2009 requiring compliance with the CUWCC’s BMPs to maintain eligibility for state funding. This statute is expected to be a powerful motivator for those agencies that have not yet fully committed to a robust conservation program.

The Task Force wisely acknowledges in Volume 2 on page 29 the need to link land use planning with water supply planning. CUWA has long supported this because land use planning agencies have significant control over how water is used in urban areas.

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CUWA supports most of the elements of Strategy 4.1- Reduce urban, residential, industrial and agricultural water demand through improved water use efficiency and other means, described in Volume 2. We have serious concerns with elements a. and b., as discussed below:

a. Enact legislation and require urban retail water purveyors to implement measures to achieve a 20% reduction in urban per capita water use throughout California by December 31, 2020 and target a 40% reduction, especially in non-coastal areas by 2050. Reduction targets will be compared against the most recent reporting available to DWR as of October 2008, which will constitute the baseline conditions.

As stated previously, CUWA's members have achieved significant water savings through aggressive voluntary conservation programs and we are opposed to a mandatory conservation program. Imposing such a program could actually result in reduced water savings as agencies refocus their efforts on complying with a regulatory program, rather than implementing management practices that are most effective in their service areas. CUWA recommends that this element be rewritten to encourage better participation in the voluntary conservation program administered by the CUWCC. In our September 23 letter to the State Water Board, we made several recommendations on how the State Water Board can assist the voluntary conservation efforts. These recommendations, listed in Attachment 1, should be incorporated into a revised element that promotes renewed emphasis on voluntary conservation rather than an element that mandates conservation.

If the Task Force is determined to recommend mandatory conservation, this element should, as a minimum, be consistent with the findings of the DWR 20x2020 process, which acknowledges past conservation efforts by assigning less aggressive targets to areas that have a history of conservation and far more aggressive targets to areas that have done little to conserve water. It is appropriate for the Draft Strategic Plan to call for more aggressive conservation in the future, but arbitrary targets should not be established for 2050. The 20x2020 process has proposed aggressive targets for inland areas by 2020. Staff working on the 20x2020 process has acknowledged how difficult it is to establish baseline conditions due to many factors. Rather than selecting a single year as the baseline, the 20x2020 process has proposed an 11-year average (1995-2005). The Draft Strategic Plan should reference the 20x2020 process and not dictate an essentially arbitrary 2008 baseline.

b. Enact legislation to require urban and agricultural water purveyors to adopt more aggressive tiered pricing and related mechanisms, and remove potential constraints to water purveyors' budgeting methods and authorities to allow conditional-pricing changes during temporary drought or emergency conditions.

CUWA urges you to remove this element from the Draft Strategic Plan. The state should not mandate rate structures. Our member agencies have a variety of conservation water rate structures that promote water use efficiency which have been developed based on the individual needs of each agency. The process of setting water rates is complex and is the responsibility of local water agencies' boards of directors or city councils. Water rates are adjusted frequently by urban water

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agencies based on many local factors, including the need to fund capital improvement programs. To that end, the elected decision-makers of local water agencies need to consider and have the flexibility to determine how much to recover from the fixed component of water rates, and how much to recover from a variable rate component.

Water pricing structures are one tool to encourage customers to conserve water, along with public education, water audits, rebate programs, and other measures. The 2007 revisions to the CUWCC's BMP 11 – Retail Conservation Pricing, which were negotiated among all its members, require volumetric rate structures while providing flexibility for local water agencies. BMP 11 is one of the foundational BMPs in the revision process underway with the CUWCC BMPs.

Governance

The governance structure proposed in the Draft Strategic Plan is much improved over prior proposals because it acknowledges existing agency authorities and responsibilities to a greater extent. While many details remain to be worked out during the implementation phase of this program, CUWA supports the establishment of the California Delta Ecosystem and Water Council (CDEW) as an agency with an emphasis on oversight and seeking to ensure consistency of action and less emphasis on bureaucracy. We also support the creation of the California Delta Conservancy and the Delta Science and Engineering Board. CUWA requests that there be a clear designation of the mission, responsibility, and accountability for those charged with implementation of the Strategic Plan.

Financing

The Draft Strategic Plan contains some sound principles to guide design of financing. CUWA recommends several changes and additions.

We suggest a rewording of financing principle number one as follows: Local and regional public and private beneficiaries should be identified and assigned appropriate proportional shares of revenue obligations and of risks and liabilities, while the general statewide public is responsible for actions of a broader benefit. This will require an open public process to quantify the benefits accrued by each beneficiary, as the basis for financial obligations.

In finance principle number four, we agree that funds collected by CDEW must not be redirected to other purposes that are unrelated to public benefits in the Delta. However, it is the state that would be responsible for such misallocation, not the State Water Project contractors. Therefore, punishing the contractors for such action is not justified because this is a factor entirely beyond their control. This element in the principle should be deleted.

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CUWA recommends that you add an additional financing principle:

It is essential that financing be linked to a balanced program that achieves the co-equal goals of a revitalized ecosystem and a reliable water supply.

We appreciate the opportunity to comment on the Fourth Staff Draft of the Delta Vision Strategic Plan and look forward to completion of the Strategic Plan. Please contact me if you have any questions on CUWA's comments.

Sincerely,

A handwritten signature in cursive script that reads "Elaine M. Archibald".

Elaine M. Archibald
Executive Director

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Attachment 1
CUWA's Recommendations to the State Water Resources Control Board
on Voluntary Conservation

- Work with the CUWCC to identify urban water agencies that have not signed the MOU and urban water agencies who have had limited success in implementing conservation programs and conduct outreach efforts to encourage voluntary conservation among these agencies;
- Work with CUWA and the CUWCC to address implementation barriers to conservation as a result of external market forces beyond the control of water agencies, and establish a broader stakeholder effort incorporating land use and stormwater agencies, manufacturers, regulatory agencies, the landscape industry, energy providers and others to develop a multi-dimensional approach to water conservation policies throughout the state;
- Work with the Regional Water Quality Control Boards and stormwater permittees to develop integrated policies and best management practices to reduce water waste that results in substantial dry weather runoff;
- Consider a primary role for Integrated Regional Water Management planning groups and/or other regional agencies for establishing regional water conservation goals and programs;
- Work with DWR to improve the tracking of progress in implementing demand management measures described in urban water management plans;
- Work with other state agencies, the water utility industry, and public interest organizations to develop and implement a statewide "Flex Your Efficiency" water conservation education and marketing campaign, similar to the statewide Flex Your Power campaign for energy;
- Support the CUWCC on development of a statewide conservation database that adequately reports on water efficiency practices and gains from a (bottom up) end use as well as water agency and regional IRWM perspective;
- Develop a streamlined statewide policy on the use of gray water;
- Bring agricultural users in as equal partners in meeting the challenge to efficiently use water in California. Recognizing the significant efficiency gains made in recent years by California farmers, important steps remain to be taken in identifying appropriate standards and devising incentive programs. This includes implementation of water use measurement by all water users.